

## Message Text

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ACTION STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 OIC-02 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02  
OMB-01 DOE-15 XMB-02 AF-10 ARA-10 EA-10 EUR-12  
NEA-10 /170 W

-----048278 251437Z /53

P 251432Z JUL 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 2491

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USMTN

STR FOR ACTION

STR PASS CODEL

E.O. 11652: N/A  
TAGS: MTN, ETRD  
SUBJECT: GOVERNMENT PROCUREMENT SUBGROUP MEETING -  
- JULY 19-20

1. SUMMARY: GOVERNMENT PROCUREMENT SUBGROUP MEETING  
PROGRESSED SMOOTHLY WITH INTRODUCTION OF NEW DRAFT  
PROCUREMENT CODE (MTN/NTM/W/174) AND SECRETARIAT  
DRAFT ON SPECIAL AND DIFFERENTIAL TREATMENT (S&D)  
(MTN/NTM/W/178). (BOTH DOCUMENTS HAND-CARRIED  
TO WASHINGTON BY SHARK). DELS GENERALLY ACCEPTED  
W/174 AS A SIGNIFICANT STEP FORWARD IN PROCUREMENT  
WORK. SECRETARIAT DRAFT ON S&D ALSO MET GENERAL  
ACCEPTANCE WITH EXCEPTION OF U.S., BRAZIL, AND ARGEN-  
TINIANS. END SUMMARY.

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2. CHAIRMAN OF THE SUBGROUP (TOOKER) INTRODUCED  
W/178 AS A SECRETARIAT INITIATIVE TO BRING TOGETHER  
VARIOUS IDEAS ON S&D CONTAINED IN SEVERAL OTHER DOCU-  
MENTS. LDC'S GENERALLY SUPPORTED SECRETARIAT EFFORT.  
NIGERIAN (ADEWAKUN) INDICATED THAT W/178 WAS MUCH  
BETTER THAN THE S&D SECTION IN W/174. INDIAN

DEL INDICATED THAT THE GOI WAS PREPARED TO ACCEPT W/178 AS A BASIS OF NEGOTIATION. GOI POSITION IN MTN/NTM/W/155 REMAINS ON THE TABLE SO THAT GOI CAN INTRODUCE PORTIONS OF W/155 INTO NEW SECRETARIAT DRAFT AS APPROPRIATE. ARGENTINIAN DEL TOOK A HARD LINE AND INDICATED SERIOUS PROBLEMS WITH W/178. HE STATED IT WAS NOT YET AN APPROPRIATE TIME TO USE THIS PAPER AS A BASIS FOR NEGOTIATIONS. MEXICAN DEL GENERALLY AGREED WITH THE PAPER BUT FELT THAT THE INDIAN PROPOSAL W/155 SHOULD REMAIN ON THE TABLE. OTHER DELS (ISRAEL, SWEDEN, ROMANIA, AND SWITZERLAND) GENERALLY SUPPORTED USE OF DOCUMENT AS BASIS OF NEGOTIATION. BRAZILIAN DEL (MADEIROS) ALSO TOOK AN EXTREMELY HARD LINE INDICATING THAT THE SECRETARIAT DRAFT ACCEPTS THE DEVELOPED COUNTRIES' POSITION FOR NEGOTIATING S&D IN THE CODE. ACCORDINGLY, THE GOB COULD IN NO WAY ACCEPT THE SECRETARIAT PROPOSAL. U.S. DEL (NEWKIRK) INDICATED THAT W/178 WAS AN INTERESTING PROPOSAL WHICH MERITED FURTHER CONSIDERATION, HOWEVER, HE INDICATED THAT IN U.S. VIEW W/178 WENT TOO FAR AND WOULD PROBABLY HAVE TO BE CUT BACK TO BE ACCEPTABLE TO THE UNITED STATES.

3. EC DEL (DERISBOURG) GAVE LENGTHY BUT BALANCED EXPLANATION OF WORK WHICH HAD BEEN ACCOMPLISHED IN NEW DRAFT, W/174. REACTION OF DEVELOPED AND DEVELOPING LIMITED OFFICIAL USE

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COUNTRIES WAS GENERALLY FAVORABLE. JAPANESE DEL (ABE) WENT THROUGH SEVERAL OF THE OUTSTANDING JAPANESE BRACKETS EXPLAINING JAPANESE POSITION. AUSTRIAN DEL (SEGALLA) RAISED QUESTION OF HOW DUMPED IMPORTS WOULD BE TREATED UNDER THE CODE. ARGENTINIAN DEL GAVE LENGTHY EXPLANATION OF ARGENTINIAN OBJECTIONS TO VARIOUS PARAGRAPHS, SPECIFICALLY TENDERING PROCEDURE OBLIGATIONS. INDIAN DEL ALSO WENT THROUGH SEVERAL SECTIONS OF NEW DRAFT. INDIAN DEL ALSO RAISED QUESTION OF GATT LEGALITY OF POSSIBLE CONDITIONAL MFN OF CODE. IN HIS INTERPRETATION ARTICLE III OF THE GATT ALLOWS A COUNTRY TO UTILIZE NATIONAL TREATMENT PREFERENCES FOR DOMESTIC INDUSTRY, BUT THAT ARTICLE I OF THE GATT COVERS ALL SUCH CODES AND WOULD NOT ALLOW A COUNTRY TO DISCRIMINATE AMONG OTHER COUNTRIES IN GOVERNMENT PROCUREMENT. ACCORDINGLY INDIAN DEL QUESTIONS LEGALITY OF COUNTRIES TO UTILIZE CODE TO DISCRIMINATE IN FAVOR OF SIGNATORIES AND AGAINST NON-SIGNATORIES.

4. BOTH AUSTRIAN AND HONG KONG DELS INDICATED THAT THEIR RESPECTIVE GOVERNMENTS WERE PREPARING OFFERS FOR EARLY SUBMISSION.

5. COMMENT: WORK IN FALL WILL BE INITIATED BY A SUBGROUP MEETING IN EARLY SEPTEMBER. MTN DEL BELIEVES REMAINING PART OF SUMMER AND EARLY SEPTEMBER SHOULD BE UTILIZED FOR IN-DEPTH ANALYSIS OF OFFERS AND REQUESTS TO BE READY TO BEGIN INTENSIVE COVERAGE NEGOTIATIONS IN SEPTEMBER. THE OBJECTIVE WILL BE TO COMPLETE THE CODE AND ELIMINATE THE FINAL BRACKETS AS EARLY IN THE FALL AS POSSIBLE AND TO COMPLETE COVERAGE NEGOTIATIONS BY MID-OCTOBER.

6. DRAFTED BY SHELLEY. MCDONALD

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT PROCUREMENT, RULES, COMMITTEE MEETINGS  
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**Decaption Date:** 01 jan 1960  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**TAGS:** ETRD, MTN  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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